

Economic Outlook

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Overview

Most economic indicators observed during the first nine months of 2004 suggest the continuation of upward momentum of Hawaii's economy that started two years ago. The strength of the U.S. and Japanese economies indicate that prospects for Hawaii's economy to sustain its positive economic performance are good. Visitor arrivals are climbing back toward their 2000 highs, while Hawaii's economy is still being propelled by investment in construction, real estate appreciation, and increased federal spending. Hawaii's unemployment rate is the lowest in the nation.

Labor Force and Jobs

For the first nine months of 2004, average civilian employment was 607,100, which is 17,950 persons or 3.0 percent higher than that for the same period of 2003. The civilian labor force was 628,650, an increase of 13,100 persons or 2.1 percent. The statewide unemployment rate decreased 0.9 percentage points to 3.4 percent.

The total number of wage and salary jobs increased by more than 13,000 or 2.3

percent statewide for the first three quarters of 2004 over the same period of 2003, following a strong 1.9 percent job growth in 2003. Job increases were largest in Retail Trade (2,000 jobs or 3.1 percent), followed by Food Service and Drinking Places (1,750 jobs or 3.4 percent), Health Care and Social Assistance (1,700 jobs or 3.2 percent), Professional and Business Services (1,450 jobs or 2.1 percent), Government (1,150 jobs or 1.0 percent), Mining and Construction (1,100 or 4.0 percent), and Accommodations (1,000 jobs or 2.7 percent). Information, with a loss of 300 jobs, was the only industry loosing jobs in the first nine months of 2004.

Tax Revenues

Through the first nine months of 2004, State general fund tax revenues were up 15.1 percent from the same period in 2003. This is an increase of about \$362.0 million compared with the collections during the first nine months of 2003. General excise and use tax (GET) collections increased by about \$126 million or 9.1 percent, while individual income tax collections

increased by \$149 million or 19.3 percent. Transient accommodations tax (TAT) collections increased by about \$18 million or 13.3 percent.

Viewed from the fiscal year perspective, comparing the first quarter of FY 2003-2004 with the first quarter of FY 2004-2005, State general fund collections are up 15.5 percent, GET collections are up 9.7 percent, individual income tax collections are up 18.8 percent, and TAT collections are up 14.0 percent.

Income

Compared with the first two quarters of 2003, total nominal personal income rose 5.7 percent in the first two quarters of 2004, the period for which the most recent data are available. The wage and salary disbursements, growing by about \$1.3 billion or 5.7 percent, made up the largest share of that increase. Supplements to wages and salaries (formerly called "Other Labor Income"), consisting of employer payments to retirement plans, private group health insurance plans, private workers compensation plans and other such benefits, increased \$571 million or 9.9 percent. Proprietors' income, the income most closely related to

entrepreneurial activity, grew by about \$207 million or 8.1 percent. Total earnings by place of work, which consists of wage and salary disbursements, supplements to wages and salaries and proprietors' income, increased more than \$2.0 billion or 6.7 percent.

Dividends, interest and rent rose by \$132 million or 2.1 percent. Personal current transfer receipts (previously called "Transfer Payments"), consisting largely of retirement and medical payments, grew by about \$234 million or 4.9 percent for the period. Contributions for government social insurance (formerly called "Personal Contributions to Social Insurance") and payments subtracted from personal income increased \$244 million or 7.7 percent.

Among the private industries, the largest increases in earnings came from Accommodation and Food Service (\$255 million or 10.3 percent), followed by Health Care and Social Assistance (\$222 million or 8.3 percent), and Professional and Technical Services (\$126 million or 6.8 percent). Earnings in the public sector increased \$620 million or 6.5 percent, largely bolstered by the 11.0 percent or \$374 million increase in Military

earnings. Almost all industries saw increases in earnings with the exception of Agriculture.

Prices

Hawaii had experienced a relatively low rate of inflation during the period 1996-2002, but inflationary signs observed since the second half of 2003 indicate a different trend. The Honolulu Consumer Price Index for urban consumers (CPI-U) rose by 2.9 percent in the second half of 2003 compared with the same period in 2002. For all of 2003, the Honolulu CPI increased by 2.3 percent, same as the U.S. average. The Honolulu CPI-U rose at a much faster, 3.3 percent, pace during the first half of 2004 than from the first half of 2003, a full percentage point higher than the U.S. average for the same period. The Honolulu price of Housing increased by 4.1 percent, Apparel price increased by 3.4 percent, Food and Beverage price increased by 3.3 percent.

Tourism

During the first nine months of 2004, Hawaii's visitor industry continued to improve at a robust pace. Bolstered by a solid increase in both international and domestic arrivals, the number of visitors arriving by air increased 8.7 percent from

the same period in 2003. International arrivals increased 12.8 percent, while domestic arrivals increased 7.1 percent. Among the major market areas (MMAs), the greatest increase came from Japan (up 14.8 percent), followed by U.S. East (up 9.2 percent), and U.S. West (up 4.3 percent). Total visitor days increased at a more moderate 4.6 percent rate than the rate of increase in arrivals due to decreases in average length of stay for both domestic and international visitors. Total expenditures of visitors arriving by air are estimated to increase 6.5 percent for the first nine months of 2004 over the same period in 2003.

Airline passenger capacity, both scheduled and charter, increased 7.7 percent through the first nine months of 2004. Hotel occupancy rates were also up, with the statewide average occupancy rate increasing from 73.0 percent to 79.2 percent. The statewide average daily hotel room rate increased 4.4 percent to \$151.9.

Construction

The major indicators of construction activity were solidly positive in the first three quarters of 2004. Total value of private building authorizations increased moderately by 10.7 percent

statewide, while the value of government contracts awarded showed a whopping 159 percent increase over the first three quarters of 2003. The commercial and industrial component of construction activity decreased to a nearly half the level observed in 2003, while residential building and additions/alterations activity increased by about 30 percent. Through the first nine months of 2004, the number of private residential building authorizations totaled 6,442, up 29.0 percent over the same period in 2003.

The number of single-family units resold was up 7.2 percent statewide, and Condo/Apt/Townhouse resales were up 12.7 percent. In Honolulu, median resale prices of both single family and condominium units for the first three quarters of 2004 increased by 19 percent over 2003. With exception of a 27.0 percent decrease in median resale prices of single-family homes on the Big Island, residential property appreciated at a much faster rate on the Neighbor Islands compared to Oahu.

Through the first nine months of 2004, construction jobs were up 4.0 percent statewide compared with the same period in 2003. The construction industry showed job growth in all counties, ranging from

1.7 percent in Maui County to 7.7 percent in Kauai County.

County Economic Conditions

Through the first nine months of 2004, all county economies performed well. Average civilian employment growth outpaced labor force growth in all counties. Total wage and salary jobs were up in all counties. Both visitor arrivals and visitor days showed uneven growth across counties, with Honolulu being the best performer and Maui the worst. Tax collections and hotel occupancy were up in all counties.

For the first nine months of 2004, the civilian labor force showed the highest rate of growth in Maui County (2.8 percent), followed by Honolulu and Kauai Counties (2.1 percent), and Hawaii County (1.8 percent). Average civilian employment growth varied from 2.9 percent in Honolulu to 3.7 percent in Maui County. Since employment increased more than labor force, the unemployment rate was down in all counties. The drop in unemployment rate was the largest in Hawaii County, where it fell by 1.3 percentage points to 5.1 percent.

All counties showed positive overall rates of job growth during the first nine months of 2004. The City and County of Honolulu

picked up 8,950 wage and salary jobs or 2.1 percent. The largest absolute increases were in Health Care and Social Assistance, Retail Trade, and Professional and Business services, each adding 1,250 jobs. Maui County added 1,900 jobs or 2.9 percent. Food Service and Drinking Places, Accommodation, Agriculture, and Retail Trade had the largest job increases in Maui County. Hawaii County added 1,500 jobs or 2.5 percent. The biggest gainers were Food Service and Drinking Places, followed by Health Care and Social Assistance, Retail Trade, and Construction. Kauai County increased 750 jobs, or 2.7 percent, lead by Retail Trade, Food Services, Professional and Business Services, and Construction.

During the first nine months of 2004, visitor arrivals by air increased the most in Honolulu (10.5 percent), followed by Kauai County (3.8 percent), Hawaii County (3.7 percent), and Maui County (0.7 percent). Hotel occupancy rates were up in all counties, increasing the most, 8.0 percentage points to 80.5 percent rates in Honolulu. Hawaii County occupancy increased 5.9 percentage points to 72.1 percent.

Individual income tax collections increased in all counties, with increases ranging from 16.6 percent in Honolulu to

as much as 55 percent in Kauai County. Increases in GET tax collections were more modest, ranging from 7.7 percent for Kauai County to 14.8 percent for Maui County. TAT collections grew in all counties, with the Neighbor Island counties growing significantly faster than Honolulu.

Outlook for the Economy

Prospects for Hawaii's economic growth depend considerably on the Mainland U.S. and Japan economies, Hawaii's two largest trading partners and visitor markets. The November 2004 *Blue Chip Economic Forecast*, an average of about 50 major U.S. forecasts, projects real U.S. GDP to rise 4.4 percent in 2004 and 3.5 percent in 2005.

Recent positive forecasts of Japan's economy suggest more support for Hawaii's continued economic growth. After several years of economic drift and deflation in Japan, the November 2004 *Blue Chip Economic Forecast* projects that Japan's real GDP will grow 4.2 percent in 2004 and 2.2 percent in 2005. The rate of current visitor arrivals from Japan appears to reflect this improved income picture.

According to the November 2004 forecast by the Department of Business Economic Development and Tourism, total visitor

arrivals are predicted to grow 7.6 percent in 2004, with visitor days forecast to increase 5.0 percent and visitor expenditures forecast to increase 9.7 percent. Total visitor arrivals are projected to increase 3.0 percent in 2005, which would push Hawaii's annual visitor arrivals above 7 million for the first time. Total wage and salary jobs in the State are expected to grow 2.2 percent in 2004, topping the impressive 1.9 percent job expansion that occurred in 2003. Job growth is expected to remain positive again in 2005 with a 1.5 percent increase. The Honolulu Consumer Price Index (CPI-U) is projected to increase 3.2 percent in 2004. Prices are expected to increase 3.1 percent in 2005. After adjusting for inflation, real personal income is forecast to show a 2.5 percent increase in 2004 and another 2.6 percent increase in 2005. Real Gross State product is expected to grow 2.6 percent in 2004 and 2.7 percent in 2005.

**TABLE 1. ACTUAL AND FORECAST KEY ECONOMIC INDICATORS FOR HAWAII:
2002 TO 2007**

Economic Indicators	2002 (Actual)	2003 (Actual)	2004 (Forecast)	2005 (Forecast)	2006 (Forecast)	2007 (Forecast)
Total population (thousands)	1,237.0 1/	1,249.4 1/	1,263.6	1,278.0	1,291.3	1,304.5
Visitor arrivals (thousands)	6,452.8	6,442.0	6,934.4	7,142.3	7,320.9	7,503.7
Visitor days (thousands)	60,515.1	60,652.0	63,700.3	65,210.7	66,567.3	67,958.9
Visitor expenditures (million dollars)	9,546.2	9,643.6	10,578.4	11,117.6	11,633.9	12,138.1
Honolulu CPI-U (1982-84=100)	180.3	184.5	190.4	196.3	202.0	207.4
Personal income (million dollars)	36,758.8	38,469.5	40,700.7	43,061.4	45,429.7	47,792.1
Real personal income (\$1996 million)	34,801.5	35,592.1	36,488.8	37,447.5	38,398.6	39,326.8
Total wage & salary jobs (thousands)	564.0	574.4	587.0	595.8	602.9	610.2
Gross state product (million dollars)	45,915.3 2/	48,119.2 2/	50,621.4	53,253.7	55,916.4	58,712.2
Real gross state product (\$1996 million)	40,037.8 2/	41,096.6 2/	42,179.1	43,332.5	44,476.1	45,650.0
Gross state product deflator (1996=100)	114.7 2/	117.1 2/	120.0	122.9	125.7	128.6
Annual Percentage Change						
Total population	1.0 1/	1.0 1/	1.1	1.1	1.0	1.0
Visitor arrivals	1.6	-0.2	7.6	3.0	2.5	2.5
Visitor days	4.1	0.2	5.0	2.4	2.1	2.1
Visitor expenditures	6.1	1.0	9.7	5.1	4.6	4.3
Honolulu CPI-U	1.1	2.3	3.2	3.1	2.9	2.7
Personal income	4.9	4.7	5.8	5.8	5.5	5.2
Real personal income	3.8	2.3	2.5	2.6	2.5	2.4
Total wage & salary jobs	0.3	1.9	2.2	1.5	1.2	1.2
Gross state product	5.0 2/	4.8 2/	5.2	5.2	5.0	5.0
Real gross state product	3.1 2/	2.6 2/	2.6	2.7	2.6	2.6
Gross state product deflator	1.9 2/	2.1 2/	2.5	2.4	2.3	2.3

1/ DBEDT estimate. U.S. Census Bureau is currently reviewing its Hawaii estimates.

2/ DBEDT estimate.

Source: Hawaii State Department of Business, Economic Development & Tourism, November 10, 2004.

TABLE 2. SELECTED ECONOMIC ACTIVITIES: STATE
MONTH OF SEPTEMBER - 2004

Series	Unit	Month	CURRENT PERIOD		YEAR-TO-DATE	
			Number	% Change Year Ago	Number	% Change Year Ago
Civilian labor force 1/	Persons	SEP	626,050	1.0	628,650	2.1
Civilian employed	Persons	SEP	605,750	2.5	607,100	3.0
Civilian unemployed	Persons	SEP	20,300	-30.1	21,550	-18.4
Unemployment rate 2/	%	SEP	3.2	-1.5	3.4	-0.9
Total wage and salary jobs 1/	Jobs	SEP	587,950	2.8	584,550	2.3
Total non-agriculture wage and salary jobs	Jobs	SEP	580,150	2.7	577,150	2.3
Nat. Resources, Mining, Constr.	Jobs	SEP	29,400	3.3	28,750	4.0
Manufacturing	Jobs	SEP	15,250	2.7	15,150	2.0
Wholesale Trade	Jobs	SEP	17,100	1.5	17,150	2.7
Retail Trade	Jobs	SEP	66,950	4.1	65,650	3.1
Transp., Warehousing, Util.	Jobs	SEP	28,150	5.2	27,400	2.4
Information	Jobs	SEP	10,800	9.1	10,250	-2.8
Financial Activities	Jobs	SEP	28,850	0.7	28,800	1.9
Professional & Business Services	Jobs	SEP	70,400	-0.2	70,750	2.1
Educational Services	Jobs	SEP	13,150	1.5	12,950	3.6
Health Care & Social Assistance	Jobs	SEP	54,450	2.9	54,050	3.2
Arts, Entertainment & Recreation	Jobs	SEP	11,500	4.1	11,400	3.2
Accommodation	Jobs	SEP	38,100	3.5	37,600	2.7
Food Services & Drinking Places	Jobs	SEP	54,100	3.9	53,250	3.4
Other Services	Jobs	SEP	24,500	1.0	24,400	1.2
Government	Jobs	SEP	117,400	2.7	119,650	1.0
Federal	Jobs	SEP	32,100	1.6	31,900	0.9
State	Jobs	SEP	68,350	1.7	70,600	0.9
Local	Jobs	SEP	16,950	9.0	17,150	1.2
Agriculture wage and salary jobs 1/	Jobs	SEP	7,800	9.9	7,400	3.5
State general fund revenues	\$1,000	SEP	333,382	0.6	2,766,906	15.1
General excise and use tax revenues	\$1,000	SEP	172,874	-5.7	1,508,124	9.1
Income-Individual 3/	\$1,000	SEP	123,099	7.5	923,375	19.3
Declaration Estimated Taxes 3/	\$1,000	SEP	35,810	27.5	228,380	30.9
Payment W>Returns 3/	\$1,000	SEP	5,576	38.8	121,319	66.0
WH Tax on Wages	\$1,000	SEP	91,316	-3.6	851,191	5.5
Refunds 3/	\$1,000	SEP	9,503	-22.4	277,515	-0.9
Transient Accommodations Tax	\$1,000	SEP	18,767	-3.2	150,421	13.3
Private Building Permits 4/	\$1,000	SEP	196,382	48.2	2,097,203	10.7
Residential	\$1,000	SEP	125,857	43.7	1,348,988	30.8
Commercial & industrial 5/	\$1,000	SEP	22,121	139.1	233,721	-49.4
Additions & alterations 5/	\$1,000	SEP	48,404	35.5	514,493	28.2
Existing home resales 6/	number	SEP	782	-5.6	6,917	7.2
Single-family homes	number	SEP	949	-6.8	8,658	12.7
Condo/Apt/Townhouse units	number	SEP				
Total visitor days	Days	SEP	4,446,126	7.2	47,382,088	4.6
Domestic visitor days	Days	SEP	3,303,574	7.3	36,469,485	3.6
International visitor days	Days	SEP	1,142,552	6.7	10,912,602	8.0
Visitor arrivals by air	Persons	SEP	520,502	9.6	5,198,945	8.7
Domestic visitors	Persons	SEP	350,326	11.8	3,698,819	7.1
International visitors	Persons	SEP	170,276	5.4	1,500,126	12.8
Hotel occupancy rates 2/	%	SEP	74.9	4.7	79.2	6.2
Average daily hotel room rate	\$	SEP	138.8	4.3	151.9	4.4

1/ Labor force and job averages are based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 2003 data revised by State Dept. of Taxation.

4/ Total consist of Kauai residential only.

5/ Kauai data unavailable.

6/ State Median price not available. Inventory available only for City & County of Honolulu, Dept. of Business, Economic Development and Tourism: Hospitality Advisors LLC. MLS data from county Boards of REALTORS® compiled by Harvey Shapiro, Title Guaranty of Hawaii. Final Sources: Hawaii Dept. of Labor & Industrial Relations: Dept. of Taxation: Dept. Business, Economic Development and Tourism: Hospitality

TABLE 3. SELECTED ECONOMIC ACTIVITIES: HONOLULU
MONTH OF SEPTEMBER - 2004

SERIES	UNIT	MONTH	CURRENT PERIOD		NUMBER	% CHANGE YEAR AGO	% CHANGE YEAR AGO
			NUMBER	% CHANGE YEAR AGO			
Civilian labor force 1/	Persons	SEP	440,550	1.0	443,300	2.1	
Civilian employed	Persons	SEP	427,600	2.4	429,650	2.9	
Civilian unemployed	Persons	SEP	12,950	-30.9	13,650	-18.3	
Unemployment rate 2/	%	SEP	2.9	-1.4	3.1	-0.8	
Total wage and salary jobs 1/	Jobs	SEP	430,300	2.8	428,500	2.1	
Total non-agriculture wage and salary jobs	Jobs	SEP	428,000	2.8	426,250	2.1	
Nat. Resources, Mining, Constr.	Jobs	SEP	20,350	4.6	19,850	3.9	
Manufacturing	Jobs	SEP	11,850	3.5	11,800	3.5	
Wholesale Trade	Jobs	SEP	13,950	1.1	14,100	2.9	
Retail Trade	Jobs	SEP	45,000	3.8	44,250	2.9	
Transp., Warehousing, Util.	Jobs	SEP	20,450	5.4	19,850	1.8	
Information	Jobs	SEP	8,850	8.6	8,400	4.0	
Financial Activities	Jobs	SEP	22,150	0.7	22,100	1.6	
Professional & Business Services	Jobs	SEP	57,850	0.1	58,150	2.2	
Educational Services	Jobs	SEP	11,400	1.3	11,200	3.2	
Health Care & Social Assistance	Jobs	SEP	42,550	3.0	42,100	3.1	
Arts, Entertainment & Recreation	Jobs	SEP	6,900	4.5	6,850	3.8	
Accommodation	Jobs	SEP	15,950	4.2	15,650	3.0	
Food Services & Drinking Places	Jobs	SEP	37,600	2.6	37,200	2.3	
Other Services	Jobs	SEP	19,400	0.8	19,250	0.5	
Government	Jobs	SEP	95,550	3.3	95,450	1.3	
Federal	Jobs	SEP	29,600	1.9	29,400	1.2	
State	Jobs	SEP	52,550	2.1	54,550	1.5	
Local	Jobs	SEP	11,400	13.4	11,550	1.3	
Agriculture wage and salary jobs 1/	Jobs	SEP	2,300	17.9	2,300	7.0	
General excise and use tax revenues	\$	SEP	143,255	-5.0	1,217,902	8.7	
Income-Individual	\$	SEP	105,510	9.2	805,721	16.6	
Declaration Estimated Taxes	\$	SEP	30,376	95.7	155,754	75.5	
Payment W>Returns	\$	SEP	2,334	-41.9	122,097	114.5	
WH Tax on Wages	\$	SEP	80,443	-2.3	743,147	4.7	
Refunds	\$	SEP	7,644	46.4	215,277	30.8	
Transient Accommodations Tax	\$	SEP	12,712	-14.4	99,620	5.4	
Private Building Permits	\$	SEP	88,114	63.0	1,063,316	17.0	
Residential	\$	SEP	38,502	69.2	598,361	80.4	
Commercial & Industrial	\$	SEP	11,921	240.2	70,614	-72.7	
Additions & alterations	\$	SEP	37,691	35.6	394,341	23.8	
Existing home resales/inventory	number	SEP	410	-2.1	3,469	5.3	
Single-family homes sold	\$	SEP	475,000	20.3	450,000	19.0	
Median selling price	number	SEP	1,180	13.6	936	-18.3	
Inventory (units on the market) 3/	number	SEP	701	-0.3	5,894	15.6	
Condo/Apt/Townhouse units sold	\$	SEP	219,000	21.7	203,000	19.4	
Median price	number	SEP	1,699	7.3	1,348	-17.6	
Inventory (units on the market) 3/	%	SEP					
Total visitor days	Days	SEP	2,281,049	7.4	23,241,372	8.7	
Domestic visitor days	Days	SEP	1,385,524	9.3	14,995,147	6.4	
International visitor days	Days	SEP	895,525	4.5	8,246,225	13.0	
Visitor arrivals by air	Persons	SEP	352,572	10.6	3,352,194	10.5	
Domestic visitors	Persons	SEP	193,509	13.9	1,978,241	7.7	
International visitors	Persons	SEP	159,063	6.9	1,373,953	14.8	
Hotel occupancy rates 2/	%	SEP	78.3	4.6	80.5	8.0	
Average daily hotel room rate	\$	SEP	119.0	6.4	122.2	6.8	

1/ Labor force and job averages are based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Year-to-date inventory is the average of January through current month.

Sources: Hawaii Dept. of Labor & Industrial Relations; Dept. of Taxation; Dept. Business, Economic Development and Tourism; Hospitality Advisors LLC; MLS data from county Boards of REALTORS® compiled by Harvey Shapiro, Title Guaranty of Hawaii. Final

TABLE 4. SELECTED ECONOMIC ACTIVITIES: COUNTY OF HAWAII
MONTH OF SEPTEMBER - 2004

SERIES	UNIT	MONTH	CURRENT PERIOD		YEAR-TO-DATE	
			NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	SEP	76,600	1.2	76,400	1.8
Civilian employed	Persons	SEP	72,900	2.7	72,500	3.2
Civilian unemployed	Persons	SEP	3,650	-24.0	3,900	-18.8
Unemployment rate 2/	%	SEP	4.8	-1.5	5.1	-1.3
Total wage and salary jobs 1/	Jobs	SEP	61,950	2.9	61,050	2.5
Total non-agriculture wage and salary jobs	Jobs	SEP	59,150	3.3	58,500	2.9
Nat. Resources, Mining, Constr.	Jobs	SEP	4,400	1.1	4,450	4.7
Manufacturing	Jobs	SEP	1,450	0.0	1,450	0.0
Wholesale Trade	Jobs	SEP	1,450	0.0	1,450	3.6
Retail Trade	Jobs	SEP	8,500	3.7	8,350	3.7
Transp., Warehousing, Util.	Jobs	SEP	2,850	11.8	2,650	3.9
Information	Jobs	SEP	600	9.1	600	0.0
Financial Activities	Jobs	SEP	2,450	0.0	2,450	2.1
Professional & Business Services	Jobs	SEP	4,200	-5.6	4,250	-2.3
Educational Services	Jobs	SEP	800	6.7	750	7.1
Health Care & Social Assistance	Jobs	SEP	5,700	3.6	5,700	5.6
Arts, Entertainment & Recreation	Jobs	SEP	1,550	3.3	1,550	3.3
Accommodation	Jobs	SEP	6,850	4.6	6,750	2.3
Food Services & Drinking Places	Jobs	SEP	5,450	16.0	4,950	7.6
Other Services	Jobs	SEP	1,700	0.0	1,700	3.0
Government	Jobs	SEP	11,250	1.4	11,400	0.4
Federal	Jobs	SEP	1,250	0.0	1,250	4.2
State	Jobs	SEP	7,650	0.7	7,850	-0.6
Local	Jobs	SEP	2,300	2.2	2,300	2.2
Agriculture wage and salary jobs 1/	Jobs	SEP	2,800	-5.1	2,550	-5.6
General excise and use tax revenues	\$	SEP	10,774	-20.0	113,460	7.9
Income-Individual	\$	SEP	6,242	-17.0	50,984	33.9
Declaration Estimated Taxes	\$	SEP	1,869	-44.0	24,485	39.0
Payment W/Returns	\$	SEP	642	179.3	562.9	562.9
WH Tax on Wages	\$	SEP	4,411	-21.0	45,624	10.9
Refunds	\$	SEP	680	14.3	22,000	9.7
Transient Accommodations Tax	\$	SEP	11,113	-11.9	11,691	21.4
Private Building Permits	number	SEP	59,735	41.5	597,194	23.0
Residential	\$	SEP	51,823	43.4	447,800	24.3
Commercial & industrial	\$	SEP	3,338	23.9	74,684	-2.2
Additions & alterations	\$	SEP	4,574	35.5	74,712	53.8
Existing home resales 3/	number	SEP	229	10.6	2,040	25.2
Single-family homes	\$	SEP	270,000	25.6	275,000	-27.2
Median selling price	\$	SEP	80	0.0	798	-84.4
Condo/Apt/Townhouse units	\$	SEP	325,000	75.7	260,000	52.9
Median price	\$	SEP			-	
Total visitor days	Days	SEP	557,555	13.1	6,188,308	0.8
Domestic visitor days	Days	SEP	457,509	13.8	5,237,132	3.3
International visitor days	Days	SEP	100,047	9.7	951,175	-11.1
Visitor arrivals by air	Persons	SEP	91,387	10.5	947,568	3.7
Domestic visitors	Persons	SEP	65,734	11.2	721,775	2.7
International visitors	Persons	SEP	25,653	8.8	225,793	7.2
Hotel occupancy rates 2/	%	SEP	65.0	8.4	72.1	5.9
Average daily hotel room rate	\$	SEP	143.0	-1.4	160.7	2.6

1/ Labor force and job averages are based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Inventory available only for City & County of Honolulu Dept. of Business, Economic Development and Tourism: Hospitality Sources: Hawaii Dept. of Labor & Industrial Relations: Dept. of Taxation: Dept. of Business, Economic Development and Tourism: Hospitality Advisors LLC. MLS data from county Boards of REALTORS® compiled by Harvey Shapiro, Title Guaranty of

TABLE 5. SELECTED ECONOMIC ACTIVITIES: COUNTY OF MAUI
MONTH OF SEPTEMBER - 2004

SERIES	UNIT	MONTH	CURRENT PERIOD		YEAR-TO-DATE	
			NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	SEP	77,650	0.9	77,650	2.8
Civilian employed	Persons	SEP	75,250	2.9	74,900	3.7
Civilian unemployed	Persons	SEP	2,400	-37.7	2,750	-17.9
Unemployment rate 2/	%	SEP	3.1	-1.9	3.5	-0.9
Total wage and salary jobs 1/	Jobs	SEP	67,100	3.2	66,600	2.9
Total non-agriculture wage and salary job	Jobs	SEP	65,150	2.4	64,750	2.5
Nat. Resources, Mining, Constr.	Jobs	SEP	3,100	5.1	3,050	1.7
Manufacturing	Jobs	SEP	1,500	-3.2	1,500	-6.3
Wholesale Trade	Jobs	SEP	1,200	4.3	1,200	4.3
Retail Trade	Jobs	SEP	9,350	5.1	9,000	2.3
Transp., Warehousing, Util.	Jobs	SEP	3,250	3.2	3,250	4.8
Information	Jobs	SEP	950	5.6	950	5.6
Financial Activities	Jobs	SEP	3,000	3.4	2,900	1.8
Professional & Business Services	Jobs	SEP	5,450	0.9	5,450	2.8
Educational Services	Jobs	SEP	850	13.3	800	6.7
Health Care & Social Assistance	Jobs	SEP	4,150	3.8	4,150	3.8
Arts, Entertainment & Recreation	Jobs	SEP	2,000	0.0	2,000	2.6
Accommodation	Jobs	SEP	11,450	2.2	11,400	3.2
Food Services & Drinking Places	Jobs	SEP	7,650	2.0	7,700	5.5
Other Services	Jobs	SEP	2,700	0.0	2,700	1.9
Government	Jobs	SEP	8,500	-0.6	8,600	-1.1
Federal	Jobs	SEP	750	-6.3	750	-6.3
State	Jobs	SEP	5,650	0.9	5,650	-0.9
Local	Jobs	SEP	2,150	0.0	2,200	0.0
Agriculture wage and salary jobs 1/	Jobs	SEP	1,950	39.3	1,850	19.4
General excise and use tax revenues	\$	SEP	13,768	-5.8	131,209	14.8
Income-Individual	\$	SEP	8,063	3.7	48,251	45.6
Declaration Estimated Taxes	\$	SEP	2,338	-54.6	36,770	35.2
Payment W>Returns	\$	SEP	1,937	202.5	(5,060)	38.8
WH Tax on Wages	\$	SEP	4,803	-7.3	46,568	12.7
Refunds	\$	SEP	1,015	51.8	30,027	10.7
Transient Accommodations Tax	\$	SEP	3,840	41.4	30,447	37.0
Private Building Permits	Number	SEP	37,925	62.0	337,419	-12.7
Residential	Number	SEP	24,925	57.7	203,555	-10.0
Commercial & Industrial	Number	SEP	6,861	124.8	85,868	-32.1
Additions & alterations	Number	SEP	6,139	35.1	47,998	40.7
Existing home resales 4/	Number	SEP	97	-27.6	878	-15.5
Single-family homes	\$	SEP	600,000	29.2	555,000	32.1
Median selling price	\$	SEP	127	-31.4	1,544	3.1
Condo/Apt/Townhouse units	\$	SEP	330,000	48.6	295,000	27.2
Median price	\$	SEP				
Total visitor days	Days	SEP	1,109,931	4.6	12,713,686	-0.3
Domestic visitor days	Days	SEP	995,335	2.6	11,357,227	-0.5
International visitor days	Days	SEP	114,596	26.7	1,346,459	0.9
Visitor arrivals by air	Persons	SEP	158,184	6.9	1,666,996	0.7
Domestic visitors	Persons	SEP	137,699	7.8	1,470,754	0.7
International visitors	Persons	SEP	20,485	0.8	226,242	0.4
Hotel occupancy rates 2/ 3/	%	SEP	73.5	6.5	79.9	3.6
Average daily hotel room rate 3/	\$	SEP	168.3	0.6	196.8	4.2

1/ Labor force and job averages are based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Occupancy and room rates for Maui island. Maui county data not available.

4/ Inventory available only for City & County of Honolulu

Sources: Hawaii Dept. of Labor & Industrial Relations; Dept. of Taxation: Dept. Business, Economic Development and Tourism: Hospitality Advisors LLC. MLS data from county Boards of REALTORS® compiled by Harvey Shapiro, Title

TABLE 6. SELECTED ECONOMIC ACTIVITIES: COUNTY OF KAUAI
MONTH OF SEPTEMBER - 2004

SERIES	UNIT	MONTH	CURRENT PERIOD		YEAR-TO-DATE	
			NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	SEP	31,300	0.6	31,300	2.1
Civilian employed	Persons	SEP	30,000	1.7	30,050	3.3
Civilian unemployed	Persons	SEP	1,250	-21.9	1,250	-19.4
Unemployment rate 2/	%	SEP	4.1	-1.1	4.0	-1.1
Total wage and salary jobs 1/	Jobs	SEP	28,550	1.8	28,400	2.7
Total non-agriculture wage and salary jobs	Jobs	SEP	27,800	2.0	27,700	3.2
Nat. Resources, Mining, Constr.	Jobs	SEP	1,350	-6.9	1,400	7.7
Manufacturing	Jobs	SEP	400	0.0	400	0.0
Wholesale Trade	Jobs	SEP	450	12.5	400	0.0
Retail Trade	Jobs	SEP	4,150	7.8	4,050	8.0
Transp., Warehousing, Util.	Jobs	SEP	1,600	-5.9	1,650	3.1
Information	Jobs	SEP	350	16.7	300	0.0
Financial Activities	Jobs	SEP	1,300	4.0	1,300	4.0
Professional & Business Services	Jobs	SEP	2,900	0.0	2,900	3.6
Educational Services	Jobs	SEP	200	0.0	200	0.0
Health Care & Social Assistance	Jobs	SEP	2,050	0.0	2,100	2.4
Arts, Entertainment & Recreation	Jobs	SEP	1,050	5.0	1,000	5.3
Accommodation	Jobs	SEP	3,850	1.3	3,800	1.3
Food Services & Drinking Places	Jobs	SEP	3,450	6.2	3,350	4.7
Other Services	Jobs	SEP	700	7.7	650	0.0
Government	Jobs	SEP	4,100	-1.2	4,150	-2.4
Federal	Jobs	SEP	500	0.0	500	0.0
State	Jobs	SEP	2,550	-1.9	2,550	-3.8
Local	Jobs	SEP	1,100	0.0	1,100	0.0
Agriculture wage and salary jobs 1/	Jobs	SEP	750	-6.3	700	-12.5
General excise and use tax revenues	\$1,000	SEP	5,077	13.9	45,553	7.7
Income-Individual	\$1,000	SEP	3,284	28.7	18,419	55.3
Declaration Estimated Taxes	\$1,000	SEP	1,227	-11.5	11,371	58.5
Payment W/Retuns	\$1,000	SEP	663	359.5	1,407	1837.2
WH Tax on Wages	\$1,000	SEP	1,659	-1.1	15,852	11.0
Refunds	\$1,000	SEP	264	3.2	10,211	5.6
Transient Accommodations Tax	\$1,000	SEP	1,102	94.3	8,664	36.5
Private Building Permits	\$1,000	SEP	10,608	-17.6	99,273	-12.3
Residential	\$1,000	SEP	10,608	-17.6	99,273	-12.3
Commercial & industrial	\$1,000	SEP	NA	NA	NA	NA
Additions & alterations	\$1,000	SEP	NA	NA	NA	NA
Existing home resales 3/	number	SEP	46	-32.4	530	8.2
Single-family homes	\$	SEP	535,000	25.9	475,000	29.5
Median selling price	number	SEP	41	-18.0	422	7.7
Condo/Ap/Townhouse units	\$	SEP	415,000	44.9	375,000	33.9
Median price						
Total visitor days	Days	SEP	496,169	5.6	3,386,520	5.6
Domestic visitor days	Days	SEP	463,758	5.9	3,130,795	7.4
International visitor days	Days	SEP	32,411	1.4	255,725	-12.7
Visitor arrivals by air	Persons	SEP	78,727	8.8	772,757	3.8
Domestic visitors	Persons	SEP	70,480	10.0	685,634	3.7
International visitors	Persons	SEP	8,247	-0.3	87,123	4.5
Hotel occupancy rates 2/	%	SEP	76.3	-3.9	80.8	5.3
Average daily hotel room rate	\$	SEP	167.0	13.1	181.8	5.7

NA. Not available.

1/ Labor force and job averages are based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Inventory available only for City & County of Honolulu

Sources: Hawaii Dept. of Labor & Industrial Relations; Dept. of Taxation; Dept. Business, Economic Development and Tourism; Hospitality Advisors LLC. MLS data from County Boards of REALTORS® compiled by Harvey Shapiro. Title Guaranty of

TABLE 4. PERSONAL INCOME FOR HAWAII BY MAJOR SOURCES

[In millions of dollars at seasonally adjusted annual rates. Data for 2001-2003 are revised]

Series	2004Q2	2004Q2/2003Q2	% Change	2004 Jan-June	%c Change Jan-June 2004 from 2003
Personal Income	40,496	5.8		40,203	5.7
Derivation of Personal Income					
Earnings by place of work	32,454	6.8		32,195	6.7
Wage and salary disbursements	23,286	5.8		23,125	5.7
Supplements to wages and salaries 1/	6,381	9.8		6,323	9.9
Proprietors' income	2,787	8.3		2,748	8.1
Dividends, interest, and rent	6,405	2.8		6,385	2.1
Personal current transfer receipts 2/	5,064	4.8		5,028	4.9
Less: Contributions for government social insurance 3/	3,426	7.6		3,405	7.7
Earnings by Industry					
Farm earnings	32,453	6.8		32,195	6.7
Nonfarm earnings	218	-1.4		217	-0.5
Private earnings	32,235	6.8		31,978	6.8
Forestry, fishing, related activities, and other	21,978	7.3		21,769	6.9
Mining	70	2.9		69	0.0
Utilities	45	7.1		45	7.2
Construction	2,074	3.3		2,067	4.1
Manufacturing	849	9.8		836	8.9
Wholesale trade	949	6.3		945	6.1
Retail trade	2,158	5.1		2,147	4.5
Transportation and warehousing	1,262	5.7		1,248	3.3
Information	788	13.4		772	10.4
Finance and insurance	1,199	2.6		1,188	4.1
Real estate and rental and leasing	813	14.8		786	12.5
Professional and technical services	2,013	7.8		1,976	6.8
Management of companies and enterprises	562	16.4		551	14.9
Administrative and waste services	1,330	7.7		1,326	7.5
Educational services	448	3.7		452	5.0
Health care and social assistance	2,936	7.9		2,912	8.3
Arts, entertainment, and recreation	428	2.9		430	4.2
Accommodation and food services	2,747	10.5		2,725	10.3
Other services, except public administration	1,045	6.0		1,039	5.7
Government and government enterprises	10,257	5.8		10,209	6.5
Federal, civilian	2,494	4.6		2,475	4.9
Military	3,780	9.1		3,766	11.0
State and local	3,983	3.6		3,969	3.4

1/ Series formerly called "Other labor income".

2/ Series formerly called "Transfer payments".

3/ Series formerly called "Personal contributions for social insurance".

Source: U.S. Bureau of Economic Analysis, State Quarterly Personal Income, September 28, 2004
<<http://www.bea.gov/bea/regional/spi/>> accessed September 28, 2004; and calculations by Hawaii State
Department of Business, Economic Development & Tourism.

TABLE 7. RESIDENT POPULATION, BY COUNTIES: 1990 TO 2003

[Based on place of usual residence, regardless of physical location on the estimate or census date. Includes military personnel stationed or homeported in Hawaii and residents temporarily absent; excludes visitors present]

Date	State total 1/	City and County of Honolulu	Hawaii County	Kauai County	Maui County 2/
1990:	April 1 1,108,229	836,231	120,317	51,177	100,504
	July 1 1,113,491	838,534	121,572	51,676	101,709
1991:	July 1 1,136,754	850,510	127,266	53,379	105,599
	July 1 1,158,613	863,959	131,630	54,439	108,585
1992:	July 1 1,172,838	870,348	135,085	55,461	111,944
	July 1 1,187,536	878,591	137,713	56,478	114,754
1993:	July 1 1,196,854	881,399	140,492	57,068	117,895
	July 1 1,203,755	883,443	141,935	57,688	120,689
1994:	July 1 1,211,640	886,711	144,445	57,712	122,772
	July 1 1,215,233	886,909	145,833	57,843	124,648
1995:	July 1 1,210,300	878,906	146,970	58,264	126,160
	April 1 1,211,537	876,156	148,677	58,463	128,241
1996:	July 1 1,212,343	875,654	149,252	58,537	128,900
	July 1 1,225,038	882,550	151,773	59,031	131,684
1997:	July 1 1,240,663	892,562	154,821	59,960	133,320
	July 1 1,257,608	902,704	158,423	60,747	135,734
1998:	April 1 1,211,537	876,156	148,677	58,463	128,241
	July 1 1,212,343	875,654	149,252	58,537	128,900
1999:	July 1 1,225,038	882,550	151,773	59,031	131,684
	July 1 1,240,663	892,562	154,821	59,960	133,320
2000:	July 1 1,257,608	902,704	158,423	60,747	135,734
	April 1 1,211,537	876,156	148,677	58,463	128,241
2001:	July 1 1,212,343	875,654	149,252	58,537	128,900
	July 1 1,225,038	882,550	151,773	59,031	131,684
2002:	July 1 1,240,663	892,562	154,821	59,960	133,320
	July 1 1,257,608	902,704	158,423	60,747	135,734
2003:	July 1 1,257,608	902,704	158,423	60,747	135,734

1/ Population estimates for 1991 through 1999 were revised based upon the April 1, 2000 figures. The revisions were released April 19, 2002. Population estimates after April 1, 2000 are based on revisions released in April 2003 and may differ somewhat from earlier figures cited in other tables.

2/ Including Kalawao County (Kalauapa Settlement). Kalawao had 130 in 1990, 147 in 2000, and 129 in 2003.

Source: U.S. Bureau of the Census, Federal-State Cooperative Program for Population Estimates, *Time Series of Hawaii Intercensal Population Estimates by County: April 1, 1990 to April 1, 2000 (CO-EST2001-12-15)*

<<http://eire.census.gov/popest/data/counties/tables/CO-EST2001-12/CO-EST2001-12-15.php>> accessed April 19, 2002; "Annual Estimates of the Population for Counties of Hawaii: April 1, 2000 to July 1, 2003" (CO-EST 2003-01-15) <<http://eire.census.gov/popest/data/counties/tables/CO-EST2003-01-15.xls>> accessed April 9, 2004.

Tables Indicating the Basis for Revenue Estimates

ESTIMATES OF GENERAL FUND TAX REVENUE: FY 2005 to FY 2011

(in thousands of dollars)

TYPE OF TAX	ACTUAL		ESTIMATED						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
General Excise & Use 4/ & 7/	\$1,792,699	\$1,900,377	\$2,014,364	\$2,130,751	\$2,223,622	\$2,409,377	\$2,510,892	\$2,646,010	\$2,782,761
Income - Individual 6/	1,037,706	1,168,570	1,311,482	1,375,585	1,478,947	1,579,539	1,686,402	1,801,905	1,913,231
Income - Corporation	8,262	56,653	65,188	72,606	80,508	84,310	89,105	94,546	98,150
Public Service Company	114,115	99,505	111,252	123,037	134,883	146,846	158,983	171,356	184,000
Insurance Premiums	73,240	78,142	77,302	77,318	78,711	77,783	78,668	84,857	87,330
Tobacco & Licenses 1/	71,273	78,400	84,069	84,963	86,787	89,107	91,588	94,273	97,147
Liquor & Permits	41,186	41,250	42,837	44,238	45,590	46,943	48,291	49,653	51,016
Banks & Other Fin Corps 5/	20,341	(554)	17,240	18,558	19,872	21,217	22,605	24,050	25,539
Inheritance & Estate 2/	15,524	9,830	5,923	-	-	-	-	-	-
Miscellaneous	6,231	8,584	7,919	7,583	7,493	7,560	7,724	7,943	8,200
Transient Accommodation Tax 3/	1,466	5,628	12,374	15,611	18,515	21,434	24,468	27,653	30,982
NET TOTAL	\$3,182,043	\$3,446,385	\$3,749,950	\$3,950,250	\$4,174,928	\$4,484,116	\$4,718,726	\$5,002,246	\$5,278,356
GROWTH RATE	4.4%	8.3%	8.8%	5.3%	5.7%	7.4%	5.2%	6.0%	5.5%

Notes:

- 1/ Act 246, SLH 2002, raises the cigarette tax to 6 cents each on October 1, 2002; to 6.5 cents on July 1, 2003; and to 7 cents on July 1, 2004.
- 2/ Federal Economic Growth and Tax Relief Act of 2001 phases out the federal estate tax and the state credit.
- 3/ Deposits of 44.8% of TAT revenues to counties (Act 156, SLH 1998); 32.6% to tourism special fund and 5.3% to TAT trust fund (Act 250, SLH 2002); 17.3% to convention center enterprise fund (Act 253, SLH 2002); all net of general fund deposits of excess of fund ceilings.
- 4/ Act 100, SLH 2003, provides a nonrefundable attractions & educational facilities tax credit equal to 100% of certain costs incurred after May 31, 2003, & before June 1, 2009, for the development of such facilities at Ko Olina Resort & Marina & the Makaha Resort. Of the maximum \$7.5 million credit per year, the General Fund loss is estimated at \$4 million.
- 5/ Transfers \$16.5 million of the franchise tax to the Litigated Claims Fund in FY2004.
- 6/ Act 113, SLH 2004, changes the due date for withholdings tax on wages beginning on or after December 31, 2004.
- 7/ FY08 includes \$30 million, estimated spillover from June 30, 2007 falling on a weekend.

INDIVIDUAL INCOME TAX
(in Thousands of Dollars)

	Actual FY 2004	11/03 Estimate		11/02 Estimate	
		Amount	As % of Actual	Amount	As % of Actual
Withholding Tax	1,101,043	\$1,141,859	103.7%	\$1,133,878	103.0%
Decl. of Estimated Tax	258,143	\$70,067	27.1%	\$220,118	85.3%
Payment w/Final Return	136,553	\$189,088	138.5%	\$122,530	89.7%
Amount of Refunds	(326,786)	(\$268,002)	82.0%	(\$293,474)	89.8%
Election Campaign Fund	(265)	(\$285)	107.3%	(\$250)	94.2%
School Repair	(118)	(\$120)	102.2%	\$0	0.0%
NET TOTAL	\$1,168,570	\$1,132,607	96.9%	\$1,182,802	101.2%

Tax rates: 1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6 next \$6,000; 7.2% on next \$4,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

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CORPORATION INCOME TAX
 (in Thousands of Dollars)

	Actual FY 2004	11/03 Estimate Amount	As % of Actual	11/02 Estimate Amount	As % of Actual
Decl. of Estimated Tax	88,554	\$45,240	51.1%	\$132,600	149.7%
Payment w/Final Return	12,100	\$4,906	40.5%	\$17,197	142.1%
Amount of Refunds	(44,001)	(\$23,890)	54.3%	(\$85,121)	193.5%
NET TOTAL	\$56,653	\$26,256	46.3%	\$64,675	114.2%

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000;
 6.40% over \$100,000.

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INDIVIDUAL INCOME TAX
(In Thousands of Dollars)

	Actual FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007	Estimated FY 2008	Estimated FY 2009	Estimated FY 2010	Estimated FY 2011
Withholding Tax	1,101,043	\$1,235,697	\$1,296,096	\$1,393,485	\$1,488,264	\$1,588,952	\$1,697,781	\$1,802,674
Decl. of Estimated Tax	258,143	\$289,712	\$303,873	\$326,706	\$348,928	\$372,534	\$398,049	\$422,642
Payment w/Final Return	136,553	\$153,253	\$160,744	\$172,823	\$184,577	\$197,065	\$210,562	\$223,571
Amount of Refunds	(326,786)	(\$366,794)	(\$384,737)	(\$413,672)	(\$441,831)	(\$471,746)	(\$504,080)	(\$535,244)
Election Campaign Fund	(265)	(\$268)	(\$271)	(\$273)	(\$276)	(\$279)	(\$282)	(\$284)
School Repair	(118)	(\$119)	(\$120)	(\$121)	(\$123)	(\$124)	(\$125)	(\$126)
NET TOTAL	1,168,570	1,311,482	1,375,585	1,478,947	1,579,539	1,686,402	1,801,905	1,913,231

Tax rates: 1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6.8% on next \$6,000; 7.2% on next \$4,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

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CORPORATION INCOME TAX

	Actual FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007	Estimated FY 2008	Estimated FY 2009	Estimated FY 2010	Estimated FY 2011
Decl of Estimated Tax	88,554	\$101,894	\$113,489	\$125,841	\$106,784	\$112,857	\$119,748	\$124,313
Payment w/Final Return	12,100	\$13,923	\$15,508	\$17,196	\$18,008	\$19,032	\$20,194	\$20,964
Amount of Refunds	(44,001)	(\$50,630)	(\$56,391)	(\$62,529)	(\$40,481)	(\$42,784)	(\$45,396)	(\$47,127)
NET TOTAL	\$56,653	65,188	72,606	80,508	84,310	89,105	94,546	98,150

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000; 6.40% over \$100,000.

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LEGAL REFERENCE AND EFFECTIVE DATE OF LATEST REVISION FOR STATE GENERAL FUND TAX REVENUES		
Type of Tax	Legal Reference HRS	Latest Revision Date
General Excise	Chapter 237	06/04/03
Use	Chapter 238	01/01/03
General Excise Lic. & Fees	Chapter 237	07/03/96
Banks & other Financial Corp.	Chapter 241	06/01/97
Income - Corporation	Chapter 235	01/01/04
Income - Individual	Chapter 235	07/01/04
Inheritance & Estate	Chapter 236	01/01/83
Insurance Premiums	Chapter 431	01/01/99
Liquor & Permits	Chapter 244D	07/01/01
Tobacco & Licenses	Chapter 245	07/01/03
Public Service Company	Chapter 239	10/01/01
Conveyance	Chapter 247	07/06/99
Fuel - Retail Permits	Chapter 243	07/01/04
R. P. Appeal Deposits	Chapter 232	04/11/89
Transient Accommodations	Chapter 237D	05/30/03
Vehicle Surcharge	Chapter 251	10/01/01

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10/27/2004